

# Manager Fact Sheet: Employee Exchanges and Loans

November 2009

This fact sheet provides information and recommended best practices to state human resource professionals and managers considering an employee exchange or loan. Employee exchange and loan programs can be a useful tool in cross-training, knowledge transfer, and allows agencies to share resources for temporary situations.

## Definitions:

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**Employee exchange** - temporary “exchange” of employees between agencies or units or bureaus.

**Employee loan** - voluntary assignment of a single employee to another agency or another division on a temporary basis.

## Considerations and Recommendations:

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Agency management (receiving or lending) initiates the exchange or loan and determines the minimum qualifications required. Employees must meet minimum qualifications for positions involved. We recommend employees involved agree to the exchange.

Agency management (receiving and lending) should prepare a document outlining the terms and conditions of the exchange or loan. The document should contain at a minimum:

- position information and location,
- estimated duration,
- explanation if employee benefits (i.e. leave accruals or longevity) will be affected,
- description of how accrued comp time

will be processed including time accrued prior to and at the end of the exchange or loan,

- a tally of sick and annual leave time transferred to the receiving agency,
- processed if the employee resigns prior to the end of the exchange or loan period,
- provisions if the exchange or loan positions are eliminated during the exchange or loan period,
- explanation of effect on employees retirement benefits,
- if applicable, any changes in seniority dates, and
- a place for signature approvals by receiving and loaning agency management and the employees involved.

The employee becomes part of the receiving agency and is subject to all the receiving agency's policies and procedures.

The receiving agency is usually responsible for:

- salary and benefits;
- contacting the Public Employee's Retirement System prior to the exchange or loan to determine ramifications to the employee's retirement plan; and
- worker's compensation coverage.

Contact the State Office of Labor Relations if the exchange or loan involves positions covered under collective bargaining agreements.

The bargaining agent should sign off on any employee exchange or loan that involves an employee covered by a collective bargaining agreement.



**State Human Resources Division**  
**Department of Administration**